

# Modern Slavery Statement 2024

# Our 2024 Modern Slavery Statement – at a glance

Criterion #	Summary	Page #
1. Identify reporting entity:	<b>Horticulture Innovation Australia Limited</b> [ABN 71 602 100 149] (‘Hort Innovation’) is an unlisted public company limited by guarantee and the declared industry services body for horticulture under the <i>Primary Industries Levies and Charges Disbursement Act 2024</i> (Cth).  We partner with Australian and international co-investors including government, and leading science, technology, and consumer strategy experts to invest in research and development, marketing and trade campaigns for the benefit of the horticulture industry.	4
2. Describe the reporting entity’s structure, operations and supply chain:		
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it controls:	Hort Innovation is a typical services organisation with the majority of our expenses allocated to procuring R&D programs and marketing campaigns on behalf of the horticulture industry.  Based on the number and value of our operations, we are confident there is <b>a low risk of modern slavery occurring</b> in either Hort Innovation itself or in our supply chains, with a small number of exceptions as described in this statement.	5-6
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes:	During the reporting period, we continued to update our risk management framework including closer consideration of the risk of modern slavery and other third-party risks in the investment process.  We also continued to optimise our procurement management system providing a more robust platform for managing third-party risk including modern slavery.  The company subscribed to a commercial intelligence provider to enable improved due diligence of new business partners.	7
5. Describe how the reporting entity assesses the effectiveness of these actions:	As noted in our 2023 Statement, we have moved from the broader, compliance-based approach to the more targeted, risk-based one outlined here.  This will provide for greater focus on higher risk-entities and a more accurate assessment of the effectiveness of these actions	8
6. Describe the process of consultation with any entities the reporting entity owns or controls:	We do not own or control any other entities and therefore this criterion is not applicable.	9
7. Any other relevant information:	As noted previously, in FY24 we moved our online compliance training to another provider.	9

## Message from our Chair

Hort Innovation is a leading Rural Research and Development Corporation (RDC) with a vision and plan for a prosperous and sustainable Australian horticulture industry built on innovation.

The Board of Hort Innovation is confident that although there is a moderate risk of modern slavery in some parts of the Australian horticulture industry, there is low risk of this occurring in either Hort Innovation itself or in our supply chains, given the nature of our business and the systems and processes we have in place.

A particular focus for the Board and Management for FY24 has been to ensure that our systems and processes are scalable, as Hort Innovation’s income is projected to increase in line with the overall growth of the horticulture industry. Part of this growth will involve working with new delivery partners, some of which may be located in diverse international jurisdictions.

Our risk and compliance management frameworks will continue to mature to ensure that the risk of modern slavery remains low, irrespective of the geographic location of our partners and suppliers.

This statement was approved by the full Board in their capacity as the principal governing body of Horticulture Innovation Australia Limited on November 12, 2024.

  
**Julie Bird**  
Hort Innovation Chair

Criterion 1: Identify the reporting entity

Criterion 2: Describe the reporting entity’s structure, operations and supply chain

Horticulture Innovation Australia Limited [ABN 71 602 100 149] is an unlisted public company limited by guarantee, and a charity registered with the Australian Charities and Not-for-profits Commission (ACNC).

We are a grower-owned, not-for-profit Rural Research and Development Corporation (RDC) and the declared industry services body for horticulture under the *Primary Industries Levies and Charges Disbursement Act 2024 (Cth)*. The effect of this declaration is to allow the company to receive funding from the Commonwealth Government via the Department of Agriculture, Fisheries and Forestry (DAFF) in accordance with a Deed of Agreement. A requirement of this deed is to maintain a framework of good corporate governance in order to ensure proper use of funds and voluntary contributions. Ensuring that no funds are used improperly, for example in facilitating modern slavery, is therefore a fundamental compliance obligation.

In 2023/24 the company’s comprehensive income was \$202.7M up from \$171.6M in FY23. This category included matched funds from the Commonwealth Government and co-investment from other entities, proceeds from statutory and voluntary levies from horticulture growers, and royalty and interest income. Under the *Modern Slavery Act 2018 (Cth)*, we are a reporting entity as our turnover was greater than \$100M.

We partner with Australian and international co-investors including government, leading science, technology, and consumer strategy experts to invest in research and development, marketing and trade campaigns. Our main expenses were ‘Research and Development Programs’ (\$138M, up from \$117.9M) and ‘Marketing Programs’ (\$20.6M, down from \$21.1M). As detailed elsewhere in this statement, the nature of these outputs [mainly research data, resources, intellectual property and communication campaigns and for the benefit of the industry] and the method of their generation [generally conducted by delivery partners which are mainly government departments, universities and public research institutions] means the risk of modern slavery in these supply chains is considered low. We also reported ‘Administrative Expenses’ of \$24.1M (up from \$22.7M) and occupancy expenses of \$555,979. These are generally delivered through standard form agreements in terms set out by the provider, the majority of which are established suppliers. Our exposure to the risk of modern slavery through our use of these corporate services and their respective supply chains is similar to those of any other medium-sized Australian organisation.

The Hort Innovation head office is located at Level 7, 141 Walker Street North Sydney NSW, Australia. We also have small offices in Melbourne and Brisbane and several regional locations.

Hort Innovation does not maintain any operations or offices in foreign jurisdictions, nor do we have any subsidiaries. From time-to-time we participate in international trade shows and campaigns on behalf of the horticulture industry for example Asia Fruit Logistica in Hong Kong.

Hort Innovation is governed by its Board and three subcommittees, including the Audit and Risk Committee, which reviewed and endorsed this statement on October 31, 2023. Under the terms of the Charter of the Committees of the Board, the statement was subsequently approved by the Board on November 12, 2024.

Hort Innovation is led by its Chief Executive Officer (CEO) who reports to the Board. The CEO leads a team of six executives, each with their respective teams.

As at June 30, 2024 Hort Innovation had 83 full-time equivalent (FTE) employees, consisting of 74 full-time, 10 permanent part-time and two fixed term staff members. This was the same number of FTEs as at June 30, 2023. Employees are covered by the Fair Work Act and workplace safety, conditions and culture are overseen by another subcommittee of the Board, the People & Performance Committee. As noted elsewhere, during the reporting period, we formally instituted a WHS Committee to drive a safety culture throughout the company.

Criterion 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it controls

Hort Innovation is a services organisation and 86 per cent of our expenses are allocated to procuring R&D programs and marketing campaigns on behalf of the horticulture industry. Our supply chain has not materially changed compared to the previous reporting period and we continue to conduct business primarily with Australian-based organisations.

As noted last year, we have revised our approach to the preparation of Modern Slavery Statement and we have moved to a risk-based methodology.

This has been undertaken using the following criterion<sup>1</sup>:

- Risks that we may **cause** modern slavery practices
- Risks that we may **contribute** to modern slavery practices
- Risks that we may be **directly linked** to modern slavery practices.

We have identified the key elements of our operations and supply chains at a thematic level and used a number factors to consider the likelihood of modern slavery occurring in each. We have also considered to what extent we have leverage over these suppliers. Taken together, their likelihood and leverage scores provide an overall

risk rating for each entity. These are presented in Table 1 below following the general sequence of our inputs – levies from horticulture producers (who are eligible to apply to be members of Hort Innovation) remitted to us via the Commonwealth Government, generally matched on a dollar-for-dollar basis – and our outputs – research, development and extension (RDE), trade and marketing activities.

This year the table has been updated to reflect the likelihood of new, commercially-focussed delivery partners, some of which will be located in international jurisdictions. A portion of these delivery partners may seek to contribute their own funds or, in some cases, value-in-kind.

Based on the number and value of our operations delivered with or by each of these elements, we are confident the risk of modern slavery occurring in either Hort Innovation itself or in our supply chains remains low.

As noted in the guidance provided by the Commonwealth<sup>2</sup>, in instances where an entity lacks the leverage to influence the entity causing the risk, the option exists to end the relationship.

**Table 1** suggests that domestic horticulture producers have a moderate risk of modern slavery occurring and there have been a number of high-profile instances of this. Horticulture producers who are also levy payers can apply to become members (that is, the owners) of Hort Innovation. Under the terms of our Constitution the option of cancelling the membership of a grower exists for various reasons including that the member’s conduct is prejudicial to the interests or reputation of the Hort Innovation. This power has not been used to date. Management will give further consideration to the criterion that would lead to the cancellation of membership.

**Table 1** also indicates that the risk increases from ‘low’ to ‘moderate’ when dealing with international delivery partners or participating in events such as trade shows. While Hort Innovation’s leverage is low in these instances, during FY25 a Supplier Partner Code of Conduct will be introduced which will provide additional options in the event any are involved in modern slavery.

1 Commonwealth Modern Slavery Act 2018: Guidance for Reporting Entities (May 2023)  
2 ibid

Criterion 3: Continued

Table 1: Overall risk rating of elements of our operations and supply chains

Entity	Likelihood of modern slavery risk occurring in entity	Leverage over entity causing modern slavery risk	Overall risk rating
Horticulture producers			
	Possible	Moderate	Moderate
Us			
Employment arrangements	Rare	High	Low
Our corporate service partners			
IT and technology (e.g., IT platforms)	Possible	Insignificant	Low
Facilities management and business services (e.g., couriers, office supplies, catering)	Possible	Insignificant	Low
Professional services (e.g., audit, legal, other consultancies)	Rare	Insignificant	Low
International procurement services (e.g., trade show displays, merchandise)	Likely	Insignificant	Moderate
Trade partners (e.g., Austrade, Australian Horticultural Exporters and Importers Association)	Rare	Minor	Low
Our project delivery partners			
Advisory mechanisms	Rare	Minor	Low
Commonwealth, State and Territory Government agencies or statutory authorities	Rare	Insignificant	Low
Universities	Rare	Insignificant	Low
Peak Industry Bodies (PIBs)	Rare	Insignificant	Low
Private sector research agencies	Rare	Insignificant	Low
Other RDCs	Rare	Insignificant	Low
Media agencies	Rare	Insignificant	Low
Commercial partners - international	Unlikely	Minor	Moderate

Criterion 4: Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes

As noted in previous Modern Slavery Statements, Hort Innovation has taken a number of actions to assess and address these risks, including:

- A modern slavery supplier questionnaire as part of the tender or pre-contracting stage
- A quick reference card (QRC) for use as a pre-check by staff
- Standard contract templates to include modern slavery provisions
- A Compliance Policy setting out the Board's expectations including for the Modern Slavery Act
- The formation of a Risk Management Committee to lead a more proactive approach to assess and address risks, including modern slavery risks

• A Compliance Management System to better track and record our various compliance requirements

- The optimisation of our procurement management system to streamline the process and enhance usability for our staff and our delivery partners, which provides a more robust platform for managing third-party risk including modern slavery.

We have also maintained a number of avenues for confidential grievances:

- Whistleblowing Policy and an independently managed hotline
- External complaints directed to and independently managed hotline.

During the reporting period, the following steps were taken:

- We updated our risk management framework including closer consideration of third-party risk
- We subscribed to a commercial intelligence provider to enable improved due diligence of new business partners
- We initiated a WHS committee in response to the Board's call for more focus on safety in the workplace.

**Criterion 5:** Describe how the reporting entity assesses the effectiveness of these actions

As noted above, in 2023 we moved from the broader, compliance-based approach in our past statements to the more targeted, risk-based one outlined in this statement. This provides a for greater focus on higher risk entities and a more accurate assessment of the effectiveness of these actions in the future.

During the reporting period we also:

- 1. Developed a more granular expression of the Board's risk appetite and tolerances for risk
- 2. Developed a new suite of controls and treatments for those risks outside the Board's appetite and tolerances.

As our modern slavery risk is currently within those tolerances, it has not necessitated any additional controls

- 3. Validated the assumptions in the risk assessments carried out and summarised in **Table 1**.

**Criterion 6:** Describe the process of consultation with any entities the reporting entity owns or controls

Hort Innovation does not own or control any other entities and therefore this criterion is not applicable.

**Criterion 7:** Any other relevant information

As noted previously, in FY24 we moved our online compliance training to another provider.

A modern slavery online module is not currently available from this provider. As an interim step this training was provided inhouse as part of our revised induction process. We are currently developing an in-house capability to create online training modules including Modern Slavery.



# Hort Innovation

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